

Small Noncoal Mining Operations Calculation of Bond Amounts

Small Noncoal Mining Permit

Two types of mining permits are available to noncoal mine operators — large and small. Large noncoal mining permits have no regulatory limit on the quantity of minerals to be mined. There are separate fact sheets that discuss calculating the bond amounts on large noncoal mining permits.

Small noncoal mining permits are limited to an annual production of 2,000 tons or 10,000 tons, depending on the type of mining license the mine operator possesses. A small noncoal mine operator's license allows an operator to mine up to 2,000 tons per year total on all permits. A large noncoal mine operator's license allows an operator to mine up to 10,000 tons per year on each 10,000 ton mining permit.

Bond Calculation – Small Noncoal Mining Permits

The rules and regulations that govern noncoal mining operations require the mine operator to post a bond to ensure the reclamation of the mine site. The Department of Environmental Protection (DEP) is required to establish a bond rate schedule based on the estimated cost to DEP to complete the reclamation requirements of the permit. DEP developed the bond rate schedule (BRS) using actual bid costs submitted for abandoned mine lands and forfeited mine site reclamation contracts and other appropriate sources. The BRS is published in the *Pennsylvania Bulletin* and can be found at the Bureau of Mining Programs website at: www.dep.pa.gov/Business/Land/Mining/BureauofMiningPrograms/Bonding/Pages/default.aspx.

The bond covers all the land affected by mining activities that is not planted, growing, and stabilized. The mine operator identifies in the application the number of acres to be permitted and the number of acres they will have disturbed at one time. The total permitted acreage will be used to determine the method of bond calculation for the disturbed area. The minimum bond amount for a small noncoal mining permit is \$4,000.

The regulations, 25 Pa. Code Chapter 77.108(e)(4), state the reclamation on small noncoal permits is conducted concurrently with the mining operation with no more than 1.0 acre of mineral extraction area unreclaimed at any time. The operator can request an alternate concurrent reclamation plan be approved to allow for more than 1.0 acre of unreclaimed mineral extraction area.

Unconsolidated Minerals

The term unconsolidated minerals is used to describe rock that is loosely arranged or unstratified sediment in which particles are not cemented together, commonly called sand and gravel. Mine operations that have an approved alternate concurrent reclamation plan calculate the bond amount using a flat per-acre rate published in the BRS. The bond amount is determined by using the per-acre rate for this type of mining and the total number of acres to be disturbed for mineral extraction and support area that is not planted, growing, and stabilized.

Consolidated Minerals

The term consolidated minerals is used to describe rock that is relatively consistent in composition, such as sandstone, limestone, granite, and bluestone. Mine operations that have an approved alternate concurrent reclamation plan calculate the bond amount using a per-acre rate published in the BRS. This bonding methodology also applies to mine sites registered under the General Permit for Bluestone (GP-105).

The support area is defined as the area where no mineral extraction will occur but is necessary to facilitate the mining operation. Site access roads, stockpile areas, and erosion and sedimentation controls are considered support activities. The BRS includes a flat per-acre rate for support areas.

The per-acre rate for areas that will be disturbed for mineral extraction is calculated based on the depth of mining. The BRS contains per-acre rates at various highwall height intervals. The bond amount is calculated by multiplying the number of acres of mining by the appropriate per-acre rate.

The cost to transport equipment to and from the mine site in order to reclaim the site is added to the bond amount. This cost is called mobilization/demobilization cost. The BRS includes the bond rate for each mining permit for mobilization/demobilization costs.

For more information, visit www.dep.pa.gov.